Import of Used Tyres

3541. SHRI VAYALAR RAVI: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the used tyres are imported;

(b) if so, the total quantity imported for the last two years;

(c) what are the reasons for allowing the import of used tyres;

(d) whether Government have received any representation against these imports; and

(e) the reaction of Government thereto?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) Used/retreaded tyres are permitted to be imported only if the per unit c.i.f. value of such tyres is above the limits are given in reply to parts (c) to (e) of the Question.

(b) The import of used/retreated tyres during 1996-97 was 2734 pieces only whereas during April 97—February, 1998 it was 12676 pieces.

(c) to (e) Free import of new as well as used/retreded tyres was permitted with effect from 1.4.1997 when tyres were put in the Free list along with about 400 other items. However, after considering the representations from the Industry, the Government imposed restriction on the import of used and retreaded tyres with effect from 8.8.1997 and allowed import of used/retreded tyres freely only if the per tyre c.i.f. value is US$175 and above for buses, lorries and earth moving equipment including bigger size vehicles and light commercial vehicles and US$25 and above for passenger automobile vehicles including two wheelers, three wheelers and personal type vehicles.

Source: DGCI&S, Figures for April, 1997 to February, 1998 (Latest available) are provisional).

Relaxation of Residual Import Restrictions

3542. SHRI S.M. KRISHNA: Will the Minister of COMMERCE be pleased to state:

(a) the details of the plan for gradual relaxation of residual import restrictions presented by Government during consultation held with WTO members; and

(b) the steps Government have taken to get these quantitative restrictions removed?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) India presented a plan for the phased removal of its remaining QR maintained for BOP purposes to the BOP committee of the WTO as desired by them in May, 1997. Consultations of the BOP Committee concluded without consensus on the phase out plan.

Subsequently the US, EC, Canada, Australia, New Zealand and Switzerland, sought formal consultations with India under Article XXII of GATT and the Understanding on the Procedures Governing the Settlement of Disputes (DSL) in the World Trade Organisation (WTO) alleging that continued maintenance of quantitative restrictions on imports for balance of payments purposes by India when there have been improvement in India's balance of payments is inconsistent with India's obligations under the WTO. India accepted the request for consultations. Japan was an interested third party in respect of all these consultations.

Pursuant to these consultations, in November, 1997, Agreements have been reached with Australia, Canada, EC, New Zealand & Switzerland as well as with Japan which had third party interests under this dispute whereby all the residual QR's maintained by India for BOP purposes would be phased out over a six year period as follows:

Phase I	1.4.1997 to 31.3.2000
Phase II	1.4.2000 to 31.3.2002
Phase III	1.4.2002 to 31.3.2003